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SUBJECT: NOVEMBER 29 TAO PRESS BRIEFING: 1992 CONSENSUS,  
CROSS-STRAIT TRADE AND INVESTMENT, FLIGHTS, TOURISM, VISAS  
FOR "228 INCIDENT" FILM ACTORS

#### Summary

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11. Key points at the November 29 Taiwan Affairs  
Office (TAO) press briefing were:

--The spokesman declined to comment on Taiwan's  
internal politics and Ma Ying-jeou's 2008 candidacy,  
noting that the "1992 consensus" should serve as the  
basis for cross-strait negotiations.

-- Cross-strait trade will continue to grow over time,  
despite obstructions from Taiwan authorities (in  
response to a reporter's citation of a 20 percent  
increase in the first ten months of 2006).

-- The Mainland hopes to strengthen cross-strait  
financial exchange and cooperation and to normalize  
cross-strait charter flights for Spring Festival and  
other holidays and weekends.

-- Some progress has been made in discussions on  
expanding tourism for Mainland residents to Taiwan,  
but further discussions are necessary.

-- Rejection of applications for Mainland actors to  
travel to Taiwan for production of a film about the  
"228 Incident" is inappropriate.

Taiwan Internal Developments: No Comment

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12. Taiwan Affairs Office (TAO) spokesman Li Weiwei  
deflected reporters' questions about Taiwan internal  
politics during the November 29 press briefing. Asked  
for an opinion on the "special funds" investigations  
in Taiwan, Li said the TAO is paying attention to  
relevant reports, but has no comment. In response to  
a reporter's question about the possibility of a Ma  
Ying-jeou victory in the 2008 "presidential" race and  
Ma's concept of a "fifty-year peace agreement," Li  
said that the Mainland is prepared to discuss and  
promote the resolution of questions of mutual concern  
following the resumption of talks based on the "1992  
consensus."

13. Asked whether the importance of the Taiwan  
question has subsided in the wake of China's economic  
rise, Li stated that the Taiwan question is a core  
interest of the Chinese nation and bears directly on  
China's national security. The Mainland will continue  
to promote stable cross-strait relations, to oppose  
and contain "Taiwan independence" moves and to promote  
peaceful reunification on the basis of the One China  
policy.

¶4. Asked about the increase in cross-Strait trade in 2006 (up 20.4 percent in the first ten months of 2006 to more than USD 88 billion, according to the reporter), Li said that cross-Strait trade would continue to grow, despite obstacles and restrictions imposed by the Taiwan authorities. Asked about cross-Strait financial cooperation and Mainland opening to Taiwan banks, Li said the Mainland is enthusiastic about increased cooperation and is willing to promote negotiations between non-governmental, cross-Strait financial organizations on issues such as supervision mechanisms and transaction methods.

¶5. Li dismissed assertions by the Mainland Affairs Council in Taiwan that rejection of bids by Taiwan insurers to operate on the Mainland were rejected for political reasons. Contrary to the information cited by the CCTV reporter, Li said only three Taiwan insurance companies submitted applications and said two were rejected for not complying with conditions set by Mainland insurance regulators.

Tourism, Charter Flights Discussions Continue

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¶6. Asked about cross-Strait charter flights, Li said the TAO hopes to normalize cross-Strait charter flights for the Spring Festival and other holidays and weekends. The Mainland will continue to push for realization of convenient, direct cross-Strait flights for both Mainland and Taiwan compatriots.

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¶7. Although some technical aspects of the cross-Strait tourism issue have been resolved through discussions, further discussions are required to resolve outstanding issues. Discussions between non-governmental tourist industry organizations are continuing, Li said.

Rejection of Film Actors' Visas

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¶8. Recent rejections of Mainland actors and actresses' applications to visit Taiwan not only are inappropriate, but also harm cross-Strait cultural exchange and cooperation, said Li. The actors and actresses were reportedly involved in the production of Yun Shui Yao, a movie about the "228 Incident" of 1947, in which an anti-Kuomintang uprising on Taiwan was brutally suppressed.

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